



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119
ph: (801) 977-4300; Fax: (801) 977-4397



In Reply Refer To:
3809
U-69380
(UT-023)

AUG 01 2006

Certified Mail – 7005 3110 0001 9359 4189
Return Receipt Requested

RECEIVED
AUG 02 2006
DIV. OF OIL, GAS & MINING

Mr. Gary Mullard
Northern Stone Supply, Inc.
P.O. Box 249
Oakley ID 83346

Dear Mr. Mullard:

On June 22, 2006, the Salt Lake Field Office received your revised request for a modification to your Plan of Operations (Plan) serialized U-69380.

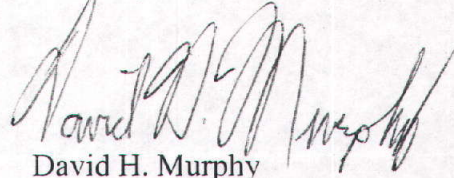
We have completed the review of this latest modification and have determined that your mine/reclamation plan is now complete and no further changes are required at this time. Before we can approve your modification, however, you will need to provide the following items of information to our office before any additional work can be conducted at your Turquoise Stone Quarry.

- A cultural clearance covering all areas proposed for disturbance will need to be completed. Attached to this letter is a map of the area previously inventoried covering your existing approved Plan. Any area proposed for disturbance of any kind (even surface collection) outside of the previously inventoried area will need to be included in the cultural inventory. Refer to Figure 5 of your modification for areas proposed for disturbance.
- A bond totaling \$78,200.00 will need to be in place with the Bureau of Land Management (BLM) that satisfies both, the Utah Division of Oil, Gas and Mining (UDOGM) and the BLM's bond requirements. At present, the BLM holds a bond in the amount of \$13,000.00 for your existing Plan and two interim bonds in the amounts of \$2,720.00 (an amount agreed upon in term #4 of the agreement signed on November 17, 2004) and \$17,000.00 (amount we received on December 13, 2004, for what you thought would be the difference between the \$13,000.00 and what you would need to cover the proposed modification). It will be necessary for you to submit either a new bond for the entire amount of \$78,200.00 or an additional bond for the difference of \$45,480.00. We would prefer that you submit one bond for \$78,200.00 at which time we can release the other three bond amounts. The Mining Law Adjudication Unit, Utah State Office, BLM, will contact you on securing a proper financial guarantee that will satisfy the requirements of the UDOGM and the BLM.

Now that your Plan is considered complete, the BLM can now continue working on the Environmental Assessment for your proposed mining activities. A completed Environmental Assessment is necessary before we can give final approval to your Plan. As mentioned above, a cultural inventory will need to be completed on all areas proposed for any type of surface disturbance before we can finish analyzing your proposed action.

If you have any questions, or require additional information, please contact Larry Garahana of my staff at (801) 977-4371

Sincerely,

A handwritten signature in dark ink, appearing to read "David H. Murphy". The signature is fluid and cursive, with the first name "David" being the most prominent.

David H. Murphy
Assistant Field Manager
Nonrenewable Resources

cc: Lynn Kunzler, UDOGM
John S. Kirkham, Stoel Rives
Val Sawyer, SRK Consulting